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ABSTRACT

This report of the General Accounting Office to a Congressional Committee examines possible overlapping functions of three federal special education grant programs mandated by the Individuals with Disabilities Education Act. The programs are: (1) Special Education Grants to States (School-age Grants); (2) Special Education Preschool Grants (Preschool Grants); and (3) Special Education Grants for Infants and Families with Disabilities (Infant Grants). It concludes that the School-age and Preschool Grants are similar, except for the age ranges of children they serve, while Infant Grants differ in goals, performance objectives, performance measures, eligibility, and services. It found that states receive all grants and many provide services to 3- through 5-year-olds with School-Age as well as Preschool Grants. The report also finds that the Grants' effects have not been evaluated and few data are available on the effectiveness of special education programs for young children. It concludes that although there is overlap between School-age and Preschool Grants, it is not clear whether this overlap presents problems of service duplication or unnecessary administrative burden. (DB)

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Report to the Ranking Minority Member, Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia, U.S. Senate Committee on Government Affairs

April 2002

SPECIAL EDUCATION

Grant Programs Designed to Serve Children Ages 0 - 5

ED 467 143

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Abbreviations

IDEA	Individuals with Disabilities Education Act
LEA	local educational agencies
OSEP	Office of Special Education Programs
SEA	state educational agency

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United States General Accounting Office
Washington, DC 20548

April 25, 2002

The Honorable George V. Voinovich
Ranking Minority Member
Subcommittee on Oversight of Government Management,
Restructuring and the District of Columbia
Committee on Governmental Affairs
United States Senate

Dear Senator Voinovich:

In fiscal year 2001, the federal government spent about $7 billion on three special education grant programs mandated by the Individuals with Disabilities Education Act (IDEA). These grants are Special Education Grants to States (School-age Grants), Special Education Preschool Grants (Preschool Grants) and Special Education Grants for Infants and Families with Disabilities (Infant Grants). This review is one of four reports you have requested looking at overlap among early childhood education and care programs.[1] Our work has shown that if such programs are designed to achieve similar outcomes for the same target group and are not well-coordinated, the potential exists for ineffective service delivery and administrative inefficiencies.[2] This potential exists for School-age Grants and Preschool Grants because School-age Grants serve children ages 3 through 21 and Preschool Grants serve children ages 3 through 5.

These three grant programs are not programs in the typical sense because they do not carry out a distinct set of functions through their own delivery systems. Instead, the programs serve as funding streams, merging with much greater state and local resources to support state and local programs. State and local programs supported by the three grants served

[1]See: U.S. General Accounting Office, *Early Education and Care: Overlap Indicates Need to Assess Crosscutting Programs*, GAO/HEHS-00-78 (Washington, D.C.: Apr. 28, 2000); *Bilingual Education: Four Overlapping Programs Could Be Consolidated*, GAO-01-657 (Washington, D.C.: May 14, 2001); and *Head Start and Even Start: Greater Collaboration Needed on Measures of Adult Education and Literacy*, GAO-02-348 (Washington, D.C.: Mar. 29, 2002).

[2]U.S. General Accounting Office, *Managing for Results: Using the Results Act to Address Mission Fragmentation and Program Overlap*, GAO/AIMD-97-146 (Washington, D.C.: Aug. 29, 1997).

approximately 6.6 million children in fiscal year 2001. Of these children, about 830,000 were receiving early intervention and special education and related services—231,000 were under 3 years-old and 599,000 were age 3 through 5.

Specifically, you asked us: (1) How similar are the goals/objectives, performance measures, eligibility criteria, and the services allowed by these programs? (2) Do states and local agencies receive funding from more than one of these grants and, if so, do they use the funds to provide the same range of services to children in the same age group? (3) What is known about the effectiveness of these programs and of the early interventions they fund? (4) What opportunities exist for better coordination among the programs or consolidation of the programs to achieve efficiencies?

To answer these questions, we reviewed pertinent documents, including state monitoring reports issued by the U.S. Department of Education's (Education) Office of Special Education Programs (OSEP), which provided detailed information about state and local efforts to implement IDEA.[3] We examined the grant application process and administrative structure for each grant program, conducted interviews with special education program officials and representatives from special education stakeholder groups (parents and state directors of special education), conducted comprehensive state-level interviews in four states—Maine, Minnesota, Ohio, and Virginia—and conducted structured telephone interviews with officials from 15 states.[4] We selected the four states for comprehensive interviews based, in part, on recommendations from state-level officials and others with a direct interest in these programs. We also considered variations in how states administer these programs and selected states that represented a variety of administrative structures and geographic regions. For the telephone interviews, we selected at least 1 state from each of Education's 10 regions. In order to obtain a wide range of perspectives on program administration, we also considered which state agency had been designated to administer Infant Grants. We

[3]Each year, OSEP monitors the implementation of IDEA in selected states. We reviewed the latest reports, published in 2001 (monitoring reports for Colorado, Florida, Louisiana, Maryland, New York, New Jersey, and Ohio) and 2000 (monitoring reports for Arizona, Arkansas, Massachusetts, Montana, Nebraska, and Wisconsin). We also reviewed older reports for Maine, Minnesota and Virginia.

[4]Alaska, Arkansas, Arizona, California, Colorado, Delaware, Florida, Illinois, Nebraska, New Hampshire, New Jersey, New York, Oklahoma, Pennsylvania, and Rhode Island.

performed our work from June 2001 through February 2002 in accordance with generally accepted government auditing standards.

Results in Brief

School-age and Preschool Grants are similar, except for the age ranges of children they serve, while Infant Grants differ from the other two grants in goals, performance objectives, performance measures, eligibility, and services. School-age and Preschool Grants share the common goal of helping states provide access to high-quality education for students with disabilities and use a single set of performance objectives and performance measures to measure progress towards this goal. Both grants pay for the same range of special education and related services and require that children must be classified by the state as having a disability in order to be eligible for these services. The key distinction between the two grants is that School-age Grants serve children ages 3 through 21, whereas Preschool Grants generally serve children ages 3 through 5. In contrast, the goal of Infant Grants is to help states provide a comprehensive system of early intervention services to infants, toddlers, and their families to enhance the development of infants and toddlers with disabilities and those who are at risk of developmental delays. Infant Grants may be used to pay for health and family services, such as tube feeding and respite care, that are more comprehensive than those provided under the other two grants, and for additional services to families that will enhance their capacity to meet the special needs of their infants and toddlers. To be eligible for services under Infant Grants, children must be under age 3 and have a developmental delay or the potential to develop one.

States receive funds from all three grants, and some states reported they use funds from both School-age and Preschool Grants to provide the same range of services to children aged 3 through 5. Although states receive funds from all three grants, local agencies may receive funds from only one grant, or from as many as three. Overlap can occur only between School-age Grants and Preschool Grants, which fund the same range of services for children ages 3 through 5. Eighteen of the 19 states we talked with reported that the range of services they provide to children ages 3 through 5 using funds from School-age Grants, such as counseling, speech pathology services, and physical therapy, is the same as those they provide using funds from Preschool Grants. None of these states could tell us how much of their School-age Grants they use to pay for services for children ages 3 through 5, and federal regulations do not require them to report this information. In general, states could not provide us with this information because they account for expenditures by budget function, such as

salaries or transportation, and not by individual services provided or ages of children receiving services.

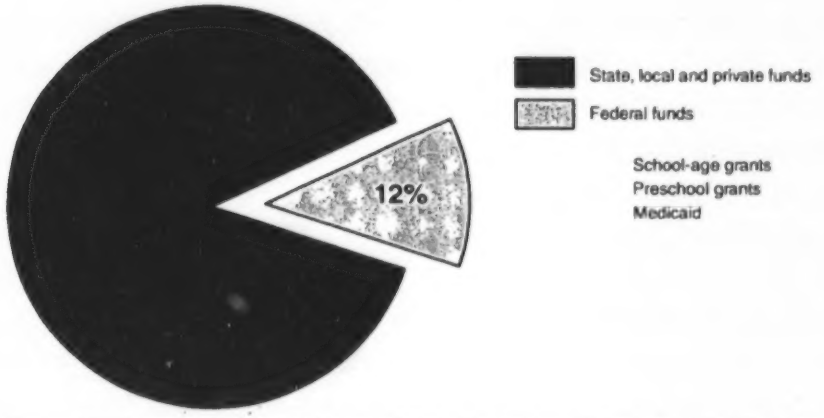
Little is known about the long-term effectiveness of these programs and the early childhood interventions they fund. No evaluations of these programs have been conducted that attempt to isolate the impact of these three federal grant programs from the impact of other funding sources. Education has three large studies under way that will have some information on the outcomes for children who are enrolled in special education preschool programs, but not on these programs' specific contributions to these outcomes. In addition, two state evaluations that we reviewed described positive outcomes for children who participated in preschool special education programs but could not attribute these outcomes solely to program participation. These evaluations show that about half the children who received preschool services (mainly speech and language therapy) no longer needed them when they reached school age.

We found some opportunities for better coordination of these grant programs, but program officials told us that consolidating School-age and Preschool Grants would not result in additional administrative efficiencies. The lack of coordination that we did find existed at the state and local level in situations where a child turned 3 before the school year began, causing a gap between the services provided with Infant Grants and those provided with School-age and Preschool Grants. This occurred despite federal rules that allow funds from Infant Grants to be used after the third birthday to pay for a free appropriate public education until the beginning of the following school year and required written plans for each child, to show how the transition between the two programs will be managed. We were unable to determine whether the overlap in age groups served by School-age and Preschool Grants indicates poor coordination, because most of the states and localities that we contacted do not track the sources of funds for services for specific ages of children. Although consolidating these two grants would eliminate the potential for poor coordination between two separate grants by eliminating one of them, it is not clear that this would result in increased program efficiency. At the federal level, Education is already administering School-age and Preschool Grants as if they were one program. State and local officials indicated that although there are potential advantages and disadvantages to consolidating the programs, overall, consolidation would probably not result in a significant reduction in administrative burden.

Background

The 50 states and the District of Columbia spent an estimated $50 billion on special education for children from birth through age 21 in school year 1999-00. About 12 percent of this amount came from federal funds, specifically IDEA grants (10 percent) and Medicaid funds (2 percent).[5] (See fig. 1.) In addition to federal funds, other sources are used to support the provision of special education and related services for children with disabilities, such as state general and special education funds, local funds, and private insurance.

Figure 1: Special Education Funding Sources



Source: Chambers, Jay G., et al., What Are We Spending on Special Education Services in the United States, 1999-2000? Advance Report #1, Special Education Expenditure Project (SEEP), American Institutes for Research, 2002.

Under IDEA, three grants can fund services to children under age 6. School-age Grants provide money to states to help them serve all eligible children, ranging in age from 3 through 21.[6] Preschool Grants provide money to states to help serve 3 through 5-year-olds with disabilities and

[5]Chambers, Jay G., *et al.*, *What Are We Spending on Special Education Services in the United States, 1999-2000? Advance Report #1, Special Education Expenditure Project (SEEP)* (Palo Alto, CA: American Institutes for Research, 2002). This amount does not include other possible federal funding sources for special education such as Title I of the Elementary and Secondary Education Act, Head Start, Developmental Disabilities Grants, and Special Education Grants for Infants and Families.

[6]However, states are not required to serve children with disabilities ages 3 through 5 or 18 through 21 if these services are not consistent with state law or practice or the order of any court.

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require states to have policies and procedures that assure a free appropriate public education for all 3 through 5-year-olds with disabilities as a condition for receiving other IDEA funds for this age range. Infant Grants provide money to states to serve children under age 3 who have developmental delays or a condition that will probably result in a developmental delay, or at a state's discretion, who are otherwise at risk of developmental delays.[7] Unlike the other two grants, Infant Grants provide services to both children and their families, primarily in settings that are not school-based. (See table 1.)

Table 1: Overview of Three Programs Serving Young Children with Disabilities, Fiscal Year 2001

Program[a]	FY 2001 appropriation	Number of children served	Comments
School-age Grants	$6.3 billion	5,782,000 ages 6 through 21	Established in 1965 under the Elementary and Secondary Education Act and State Schools Act.
Preschool Grants	$390 million	599,000 ages 3 through 5[b]	Established in 1975 as an incentive program to encourage states to serve 3 through 5 year-olds.
Infant Grants	$384 million	231,000	Established in 1986, but not implemented in all states until 1994.

[a]School-age and Preschool Grants are authorized under IDEA Part B and are formally known as Section 611 grants and Section 619 grants, respectively. Infant Grants are authorized under IDEA Part C.

[b]This includes children served under both School-age and Preschool Grants.

Source: GAO analysis.

Program overlap occurs when programs have the same goals, the same activities or strategies to achieve them, or the same targeted recipients. As noted in a House Government Reform and Oversight Committee report, "A certain amount of redundancy is understandable and can be beneficial if it occurs by design as part of a management strategy to foster competition, provide better service delivery to customer groups, or provide emergency backup."[8] Because both School-age and Preschool grants can be used to serve the same target recipients, children with disabilities ages 3 through 5, they can be characterized as overlapping. However, this overlap does

[7]Currently 9 states—California, Hawaii, Indiana, Massachusetts, Nevada, New Hampshire, New Mexico, North Carolina and West Virginia—serve children whom they consider to be at risk. The precise definition of "at-risk" varies by state.

[8]H. Rpt. No. 104-861, p. 6.

not necessarily lead to duplication of services, which involves providing identical services to identical target groups.[9]

Education allocates funds from School-age, Preschool, and Infant Grants to all states, the District of Columbia, and Puerto Rico, based on federal formulas. At the state level, School-age and Preschool Grants are administered by the state educational agency (SEA), and Infant Grants are administered by a designated lead agency, most frequently the state's department of health or human services. A fixed portion of School-age and Preschool grants may be retained for state-level activities and program administration, although the majority of funds from these grants are passed through SEAs to local educational agencies (LEAs), generally school districts, according to a federally mandated formula. Infant Grants may be distributed to local public and private agencies by designated state lead agencies using state-developed criteria.

Education's OSEP monitors activities funded by these grants and the extent to which states comply with IDEA in a process known as continuous improvement monitoring. Several states are selected each year for in-depth monitoring, including on-site data collection, based on various factors, such as when they were last monitored, information from grant applications, and information on each state's status in achieving improved results and compliance.

School-Age and Preschool Grants Are Similar Except for Age Range Served; Infant Grants Differ

School-age and Preschool Grants share the same goal, performance objectives, and performance measures; fund the same range of services; and have similar eligibility requirements except for the age-range served, while Infant Grants differ from these grants in almost all respects. (See table 2.)

[9]GAO/AIMD-97-146 and GAO/HEHS-00-78.

Table 2: Overview of Eligibility Criteria, Services Allowed, Goals and Performance Objectives for Infant, Preschool, and School-age Grants for Children with Disabilities

Programs	Infant Grants	Preschool Grants	School-age Grants
	Ages 0 to 3	**3 through 5**	**3 through 21**
Criteria for service eligibility	Infants and toddlers who are developmentally delayed or have a condition that will probably result in a developmental delay or who are otherwise at risk of developmental delay.	Child with a disability (3 through 21), or with developmental delay (3 to 9 only) who, as a result, needs special education and related services.	
Services allowed	Family training, counseling, and home visits	Student counseling and training, including rehabilitation counseling	
	Nursing, health, and nutrition services	School health services	
	Service coordination	Recreation services	
	Medical services for diagnostic or evaluation purposes		
	Occupational and physical therapy		
	Psychological and social work services		
	Vision, orientation, and mobility services		
	Speech-language pathology services		
	Devices to assist the disabled in daily living and audiology services		
	Transportation services		
	Age appropriate special education instruction		
	Early identification and assessment services		
Goals	To enhance family and child outcomes through early intervention services and to have states provide a comprehensive system of early intervention services for infants and toddlers with disabilities and their families.	To improve results for children with disabilities by assisting state and local educational agencies to provide children with disabilities access to high-quality education that will help them meet challenging standards and prepare them for employment and independent living.	
Performance objectives	To provide services in settings, such as home or day care, that meet children's individual needs.	Preschool children enter school ready to learn.	
		Better identify and serve children eligible for special education before age 8.	
	To enhance children's functional development.	Children have access to the general curriculum and assessments.	
		Students receive adequate support to complete high school and transition successfully after high school.	
		States address professional development.	

Sources: 34 C.F.R. Parts 300 and 303, and U.S. Department of Education 2000 Performance Report and 2002 Program Annual Plan, Volume 2: Individual Programs.

School-age and Preschool Grants share the common goal of improving results for children with disabilities by assisting state and local educational agencies to provide children with disabilities access to high-quality education that will help them meet challenging standards and prepare them for employment and independent living. The two programs use the same set of performance objectives and performance measures. For example, one objective of both is that preschool children with

disabilities receive services that prepare them to enter school ready to learn. As a performance measure for this objective, both programs use an increase in the percentage of preschool children receiving special education services who have readiness skills when they reach kindergarten.[10] These programs also pay for the same range of special education and related services, such as physical and occupational therapy and technology to assist the disabled, such as voice-activated software. Special education and related services are generally provided at school. To be eligible for these services, children must be classified by the state as having a disability and as a result of the disability need special education and related services.[11] The key distinction between the two grants is that School-age grants serve children ages 3 through 21, whereas Preschool Grants serve only children ages 3 through 5.

The goal, performance objectives, performance measures, eligibility criteria, and types of services allowed for Infant Grants differ from those for School-age and Preschool Grants. This grant is designed to assist states in developing and implementing a statewide, comprehensive system to provide early intervention services for infants and toddlers with disabilities (and at a state's discretion those who are at risk of experiencing developmental delays) and their families.[12] The goal of Infant Grants is to enhance children's functional development and increase families' capacity to increase their children's development using a comprehensive system of early intervention services, including health services, such as tube feeding or intermittent catheterization, and family training. Objectives are broad and each has performance measures. For example, an increase in the percentage of all children under age 3 receiving age-appropriate services in nonschool settings is a performance measure for the objective of providing services at home or in daycare, when appropriate. To be eligible for services under Infant Grants, children

[10]Readiness skills include those skills that are presumed to enable a child to be successful in kindergarten. Such skills include knowing that print reads from left to right, recognizing letters and beginning sounds, reading numerals, recognizing shapes, and being able to count to 10.

[11]States, at their discretion, may also use the two grants to provide services to children ages 3 through 9 experiencing developmental delays as defined by the State and measured by appropriate instruments and procedures. (20 U.S.C. Sec. 1401(3)(B)(i).)

[12]Early intervention services are designed to meet the developmental needs of an infant or toddler with a disability in any one or more of the following areas: physical development, cognitive development, communication development, social or emotional development, or adaptive development. (20 U.S.C. Sec. 1432 (4).)

must be under age 3 and have a developmental delay or the potential to develop one. Because of the age-specific developmental needs of infants and toddlers, health and family services provided under Infant Grants are more comprehensive than under the other two grants. These services are provided primarily in nonschool settings, generally in the home or at a day-care site.

States Receive All Grants and Many Provide Services to 3 through 5 Year-Olds with School-Age as well as Preschool Grants

All 50 states, the District of Columbia, and Puerto Rico receive grants from each of the three programs, which they distribute to various local public and private agencies.[13] Whether a local agency receives funds from any one grant depends on whether it is serving the relevant age group. For example, the Roanoke Interagency Coordinating Council in Virginia, which serves children from birth through age 2, receives Infant Grants but not School-age and Preschool Grants. However, many LEAs receive more than one grant. For example, the Mapleton Local School District in Ohio received School-age and Preschool Grants in School Year 2001-2002, while the South Washington County School District in Minnesota received funds from all three programs.

Many states use more than one grant to fund the same range of services for 3 through 5 year-olds. Officials in 18 of the states we contacted told us they may use School-age Grants to serve 3 through 5 year-olds—the same group of children served by Preschool Grants. Only one of the states we contacted, Alaska, does not permit School-age Grants to be used to pay for services for preschoolers. Also, in a survey of SEAs conducted by the National Early Childhood Technical Assistance System, 37 SEAs reported that they use funds from School-age Grants to support the provision of special education and related services for preschool children with disabilities.[14] Since they are not required to track such information, none of the 19 states we contacted were able to tell us the percentage of School-age Grant funds they used to provide services for children aged 3 through 5, although officials in several states said that the amount was small. Similarly, 18 of the 19 states could not provide us with the percentage of

[13]The 50 states, the District of Columbia, American Samoa, Guam, Northern Mariana Islands, Puerto Rico, Virgin Islands, and the Indian Tribes receive School-age Grants and Infant Grants. The Freely Associated States (Micronesia, Marshall Islands, and Palau) are only eligible for School-Age Grants under a special competition. Recipients of Preschool Grants include the 50 states, the District of Columbia, and Puerto Rico.

[14]Shelley deFosset, *Section 619 Profile, 10th Edition* (Chapel Hill, N.C.: National Early Childhood Technical Assistance System (NECTAS), 2001.)

children aged 3 through 5 who received services provided with School-age Grants.[15]

Many states could not report the extent to which School-age Grants fund services for 3 through 5 year-olds because of how expenditures are tracked. The states we contacted reported they track expenditures by budget functions, such as salaries or transportation, and not by individual services provided or ages of children receiving services. These states do not require LEAs to report expenditure data in a way that would allow them to determine the extent to which School-age Grants fund services for 3 through 5 year-olds, nor does IDEA require it. Education requires only that states report the number of children ages 3 through 5 collectively receiving special education and related services under School-age and Preschool Grants. IDEA does not require specific information about how many children are served under each.

Grants' Impact Not Yet Evaluated, and Few Data Are Available on Effectiveness of Special Education Programs for Young Children

The effectiveness of these grant programs has not yet been evaluated, in part, because federal special education funds are only one source used to pay for services for this age group. Rather than functioning as operating programs, these grants add to the stream of funds supporting on-going state and local programs.[16] Therefore, it is difficult to isolate the impact of federal funding for special education from the impact of other funding sources.[17] Instead, studies have tended to focus on how IDEA is being implemented and on the overall progress of children who receive special education services, without directly attributing these outcomes to the receipt of particular services.[18]

In the 1997 amendments to IDEA, Congress mandated a full, national assessment to determine the progress in the implementation of IDEA,

[15]Arkansas reported that 59 percent of children aged 3 through 5 received special education and related services provided in part with School-Age Grants.

[16]U.S. General Accounting Office, *Grant Programs: Design Features Shape Flexibility, Accountability and Performance Information*, GAO/GGD-98-137 (Washington, D.C.: Jun. 22, 1998).

[17]U.S. General Accounting Office, *Education for Disadvantaged Children: Research Purpose and Design Features Affect Conclusions Drawn from Key Studies*, GAO/HEHS-00-168 (Washington, D.C.: Aug. 31, 2000).

[18]U.S. General Accounting Office, *Early Childhood Programs: The Use of Impact Evaluations to Assess Program Effects*, GAO-01-542 (Washington: D.C.: Apr. 16, 2001).

including the effectiveness of state and local efforts to provide a free public education appropriate for the needs of students with disabilities and to provide early intervention services to infants and toddlers. In response to this mandate, OSEP has contracted with several research organizations to complete a number of studies. None of these studies will attempt to isolate the contribution of IDEA grants from the effects of state and local efforts to improve outcomes for young children; Congress did not prescribe such a stringent assessment of program effectiveness.

Instead, three of these studies contracted by OSEP are outcome evaluations, focused on describing the short-term and long-term outcomes for young children enrolled in programs supported, in part, by these grants. The National Early Intervention Longitudinal Study will follow children entering early intervention services supported by Infant Grants. The Pre-Elementary Education Longitudinal Study will follow children who received preschool special education services through their experience in preschool and early elementary school. The Special Education Elementary Longitudinal Study is documenting the experience of children enrolled in special education as they move from elementary school to middle and high school. The results from these studies will not be available for several years, although OSEP has issued initial reports describing the demographic characteristics of some study participants, their families, and schools.

In addition to these evaluations describing children's outcomes, OSEP has contracted a study examining how these programs are implemented. The Special Education Expenditure Project is intended to answer a variety of questions on the characteristics of expenditures on programs and services for preschool special education students. The first in an anticipated series of reports derived from this project was issued in March 2002 and provides an overview of special education spending in school year 1999-2000 in the 50 states and the District of Columbia.[19] This report presents aggregate data on how much is spent nationally and how these funds are allocated among broad program areas. In particular, the report notes that preschool programs account for about 9 percent of special education expenditures overall and that 8 percent ($4.1 billion) was spent on preschool programs

[19]Chambers, Jay G., *et al.*, *What Are We Spending on Special Education Services in the United States, 1999-2000? Advance Report #1, Special Education Expenditure Project (SEEP)* (Palo Alto, CA: American Institutes for Research, 2002).

operated within public schools and 1 percent ($263 million) was spent on preschool programs operated outside public schools.

In addition to the efforts now underway to evaluate outcomes and expenditures on services for young children enrolled in programs supported by IDEA grants, we found studies from two states—Delaware and Pennsylvania—on the outcomes of children in special education preschool programs. The Delaware study found that nearly half of the children who participated in Preschool Grants-supported programs in Delaware between 1997 and 1999 were able to transition into the regular education program by the time they were 6 and 7 years-old. The Delaware study also found that children who participated in preschool special education had significantly higher grades in kindergarten and first grade than children with disabilities who did not and that the gap in grades grew between kindergarten and first grade. The researchers responsible for the Delaware study attributed the higher grades to the children's participation in programs supported by Preschool Grants. The Pennsylvania study found that fewer than half of the preschoolers who participated in early intervention services in Pennsylvania between 1991 and 1995 were participating in school-age special education programs between 1996 and 1997, leading researchers to suggest that preschool early intervention services may have helped reduce the severity of the developmental delay for some participating children.

Some Local Coordination and Program Overlap Issues Exist

We found some opportunities for better local coordination between programs funded with Infant Grants and preschool programs, but we were unable to determine the extent to which overlap between School-age and Preschool Grants may result in service duplication. We found evidence of problems with the transition of 3 year-olds between local programs funded with Infant Grants and preschool programs in 8 of 13 states for which OSEP issued monitoring reports in the last 2 years. While we could not ascertain whether overlap between School-age and Preschool Grants results in service duplication, program officials indicated that the overlap between School-age and Preschool Grants does not result in administrative inefficiencies.

Some Coordination Problems Identified in the Transition from Infant Grants Programs

We found some lack of coordination between local programs funded by Infant Grants and preschool programs, which can be funded by Preschool or School-age Grants, in several states. Service gaps between programs funded by Infant Grants and preschool programs can occur for children who turn 3 before the beginning of the school year in which they can start

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attending preschool. IDEA has addressed this problem by allowing Infant Grants to be used after the third birthday to pay a free appropriate public education until the beginning of the next school year. Also, federal rules require that states develop written transition plans for each child to show how the transition between the two programs will be managed, and Education monitors and enforces these rules. Specifically, the designated lead agency for the Infant Grants must discuss with and train parents regarding future placements for their child and have developed procedures to help the child adjust to a new setting. To further coordinate this transition, the Infant Grants statute requires that the lead agency, with the approval of the family, must convene a conference among the Infant Grants lead agency, the family, and the LEA at least 90 days before the child is eligible for preschool services. In addition to the Infant Grants transition requirements, the School-age Grants statute requires LEAs to participate in transition planning conferences arranged by the lead agency. Children should begin receiving services no later than their third birthday.

In 2000 and 2001, OSEP identified problems in the transition from programs funded by Infant Grants into preschool programs in 8 of the 13 states that it monitored for compliance with IDEA. OSEP monitoring reports cited a range of problems related to transitions from programs funded with Infant Grants into preschool that resulted in gaps in services for preschoolers. Some of the problems cited include: not holding transition planning conferences within 90 days of a child's third birthday (6 states); the failure of local educational agency representatives to attend these conferences, despite being invited to do so (3 states); and providing inadequate information about the transition process to parents (2 states). The lack of adequate information resulted in confusion and unwillingness to cooperate with service coordinators' requests on the part of some parents and forced other parents to seek out preschool services on their own. In response to these problems, OSEP has required corrective action plans for each of the 8 states to address areas of noncompliance with IDEA related to the transition from programs funded by Infant Grants into preschool programs.

In addition to the problems cited in OSEP's monitoring reports, we found some further evidence of problems when children leave Infant Grants programs in our site visit to Ohio. One state official told us that children and families may not receive needed services when they transition from the state's Infant Grants programs into preschool because preschool programs have more stringent eligibility criteria and lack the family focus of early intervention programs funded by Infant Grants. Also, a representative of the Ohio Coalition for the Education of Children with

Disabilities told us that some school districts did not understand that they are legally required to provide services for preschool children with disabilities.

These problems were not evident in the other states we visited. Officials in Maine, Minnesota, and Virginia did not report a lack of coordination between programs funded by Infant Grants and preschool programs in those states. Transition issues for these programs appear to have been eliminated in Maine and Minnesota because each state operates a single program to provide early intervention and special education services for children from birth through age 5. In those states, programs funded with Infant Grants and preschool programs are both operated through a single agency, rather than through two agencies, as is the case with most of states.[20] In Virginia, transition issues have been minimized because the state requires public education for children with disabilities beginning at age 2—a year earlier than is required under federal law. More than two-thirds of children receiving early intervention services in Virginia transition into public preschool programs as soon as they become eligible.

Overlap in Ages Served by School-age and Preschool Grants Might Result in Duplication

Because of overlap between School-age and Preschool Grants, which can both serve children ages 3 through 5, there is some potential for service duplication if the two programs do not coordinate at the local level. We were unable to further evaluate the extent to which coordination problems may exist because there were no data available that would allow us to do so, in that states are not required to distinguish between funding sources when reporting the ages of children served by School-age and Preschool Grants. Officials from the 4 states where we conducted comprehensive interviews did not report any coordination problems for these programs and were not able to provide evidence about whether or not service duplication occurs. At the federal level, there is no administrative overlap between School-age and Preschool Grants because Education already administers these grants as if they were one program. For example, Education requires a single application for both programs and applies a single set of goals, performance objectives, performance measures, and reporting requirements to both programs.

[20]Maine and Minnesota are among the 14 states that have chosen to administer Infant Grants through their state educational agencies, which also administer Preschool Grants. The remaining states and the District of Columbia administer Infant Grants' programs through their departments of health or human services.

Overlap between School-age and Preschool Grants could be addressed in a number of ways, according to our analysis. Narrowing the age range served by School-age Grants to ages 6 through 21 or consolidating the two grants into a single grant, either with or without a reserved amount of funds for preschool services, could eliminate overlap between these programs. However, advantages and disadvantages exist for each option. (See table 3).

Table 3: Advantages and Disadvantages of Options for Addressing Potential Overlap of Preschool and School-age Grants

Options	Advantages	Disadvantages
1. Narrow age range for School-age Grants to 6 through 21	• Eliminates possibility of service duplication. • Simplifies tracking of funds spent on 3 through 5 year-olds. • Preserves targeted funds for 3 through 5 year-olds.	• States lose some flexibility (the ability to supplement Preschool Grant funds with School-age Grant funds when serving preschoolers).
2. Consolidate School-Age and Preschool Grants into one Grant (no reserved funds for preschool services)	• Eliminates possibility of service duplication.* • Simplifies tracking of funds spent on 3 through 5 year-olds. • Increases the amount of flexible funds for states.	• No funds are targeted for preschool services. • Possible reduction in services for 3 through 5 year-olds.
3. Consolidate School-Age and Preschool Grants into one Grant (with reserved funds for preschool services)	• Eliminates possibility of service duplication.* • Simplifies tracking of funds spent on 3 through 5 year-olds. • Preserves targeted funds for 3 through 5 year-olds.	• States may lose some flexibility (if the law prescribes fixed allocations of funds for particular age ranges).
4. No change	• Preserves targeted funds for 3 through 5 year-olds. • Does not introduce new administrative requirements.	• Continued possibility of service duplication.

*This would not apply to states that currently administer the programs as one, such as Maine and Minnesota.

Source: GAO analysis.

The first three options would ensure that children ages 3 through 5 are eligible for services under only one program. The first option, narrowing the age range for School-age Grants, has the advantage of preserving targeted funds to serve preschoolers by continuing Preschool Grants. However, under this option, states would lose the flexibility that they now have to devote a greater share of federal special education funds to serving preschoolers, if that is their priority.

The second option, consolidating School-age and Preschool Grants into a single grant, has several advantages. It would eliminate potential overlap for 3 through 5 year-olds, make it easier to track funds spent on preschoolers, and may increase the ability of local school districts to target federal special education funds to children of any age, depending on local needs. However the last advantage could also be seen as a disadvantage, potentially reducing services for preschoolers in those local school districts where they are not considered to be as high a priority as services for older children. State administrators and parents told us they are concerned this option would eliminate safeguards for targeted preschool funding and may lead to a reduction in services for children ages 3 through 5, although states have been required to provide special education services to children ages 3 through 5 since 1992 in order to be eligible for Preschool Grants and other IDEA funds targeted to children ages 3 through 5 with disabilities. State officials told us that serving preschoolers, whether in special education or otherwise, is not a priority for all local school districts, and expenditures of funds for 3 through 5 year-olds would have to compete with the needs of older special education students. School districts generally do not provide regular education services to children ages 3 through 4. Moreover, as of November 2001, 39 states require kindergarten be offered to 5 year-olds, but only 12 require pupil attendance.[21]

The third option, consolidating School-age and Preschool Grants into a single grant, but reserving some funds for preschool services also would eliminate potential overlap of IDEA grants for 3 through 5 year-olds. However, this option has the advantage of preserving minimum spending levels for preschoolers by including a set-aside provision in the grant legislation. Depending on how the legislation is written, a potential disadvantage to this option would be the loss of some flexibility in how states may allocate funds for preschoolers and other ages of children. This would occur if the legislation prescribes fixed levels of spending for both age ranges. Nevertheless, some of the officials and other interested parties that we contacted indicated that, if the programs were to be consolidated, they would prefer including a set-aside provision.

Although there are potential advantages to eliminating program overlap, overall, changes to the current structure of federal grants for special

[21]Education Commission of the States, *State Notes: State Statutes Regarding Kindergarten* (Denver, CO: 2001).

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education would probably not result in a significant reduction in administrative burden at the state and local levels. Retaining the current structure would preserve targeted funds for preschoolers and not introduce different administrative requirements, but the possibility of service duplication would continue. Many of the state and local administrators with whom we spoke indicated they do not see the need for any changes in the current structure of these grants. In addition, Education officials have noted a growing level of support for early intervention programs among lawmakers, program administrators and child advocates, which, in their opinion, justifies maintaining separate grants to support these programs.

Concluding Observations

The Department of Education has recognized that there is some potential for a gap in services for 3 year-olds as they move from programs funded by Infants Grants into preschool programs and requires that states and local agencies minimize these service gaps by following federal requirements for program coordination and transition planning. However, we have seen evidence that in at least a few localities, states have failed to ensure that federal regulations are being followed. Education has addressed known transition problems by requiring these states to develop and implement corrective action plans that will bring them into compliance with IDEA.

Although there is overlap between School-age and Preschool Grants because both allow for services to 3 through 5 year-olds, it is not clear whether this overlap presents problems of service duplication or unnecessary administrative burden that would indicate the need to change how the grants are structured. Program experts and federal, state, and local administrators that we interviewed did not report any problems and there were no data available that would allow us to determine the extent to which program overlap resulted in coordination or administrative problems.

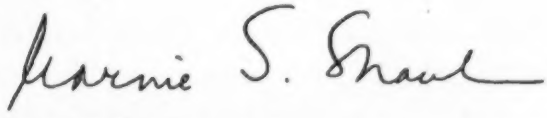
Agency Comments and Our Response

We provided the Department of Education an opportunity to comment on a draft of this report and received technical comments which we have incorporated into this report as appropriate.

We are sending copies of this report to the Chairman of your subcommittee, the Secretary of Education, and appropriate congressional committees. Copies will also be made available to other interested parties upon request. If you have questions regarding this report, please call me at

(202) 512-7215 or Eleanor Johnson, assistant director, at (202) 512-7209. Other contributors are listed in the appendix.

Sincerely yours,



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Appendix: GAO Contacts and Staff Acknowledgments

GAO Contacts

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Staff Acknowledgments

In addition to those above, Elspeth Grindstaff, Patrick DiBattista and Jon Barker made major contributions to this report.

Related GAO Products

Head Start and Even Start: Greater Collaboration Needed on Measures of Adult Education and Literacy. GAO-02-348. Washington, D.C.: 2002. March 29, 2002.

Bilingual Education: Four Overlapping Programs Could Be Consolidated. GAO-01-657. Washington, D.C.: 2001. May 14, 2001.

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Managing for Results: Using the Results Act to Address Mission Fragmentation and Program Overlap. GAO/AIMD-97-146. Washington, D.C.: August 29, 1997.

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